

**VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-24-06

VILLAGE OF HALL SUMMIT, LOUISIANA
DECEMBER 31, 2005
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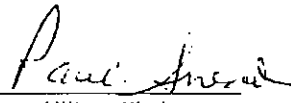
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VILLAGE OF HALL SUMMIT, LOUISIANA
FINANCIAL STATEMENTS
DECEMBER 31, 2005

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Paul Sneed, Clerk of the Village of Hall Summit, Louisiana, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Village of Hall Summit, Louisiana, at December 31, 2005 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.


Village Clerk

Sworn to and subscribed before me, this 16th day of February, 2006.


NOTARY PUBLIC

HINES, JACKSON & HINES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Village of Hall Summit
P.O. Box 98
Hall Summit, Louisiana 71034

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2005, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Hall Summit's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Hall Summit, Louisiana as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 16, 2006, on our consideration of the Village of Hall Summit, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 8 and 28, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Hall Summit's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended December 31, 2004, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated February 18, 2005, on the basic financial statements of the Village of Hall Summit.

Hines, Jackson & Hines
Natchitoches, Louisiana
February 16, 2006

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2005

The Management's Discussion and Analysis of the Village of Hall Summit's financial performance presents a narrative overview and analysis of Village of Hall Summit's financial activities for the year ended December 31, 2005. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Village of Hall Summit's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) The Village of Hall Summit had cash and investments of \$57,568 at December 31, 2005 which represents an increase of \$5,979 from prior year end.
- 2) The Village of Hall Summit had accounts receivable of \$2,543 at December 31, 2005 which represents a decrease of \$820 from prior year end.
- 3) The Village of Hall Summit had accounts payable and accruals of \$1,280 at December 31, 2005 which represents a decrease of \$4,134 from prior year end.
- 4) The Village of Hall Summit had total revenues of \$34,074 for the year ended December 31, 2005 which represents a decrease of \$33,718 from prior year.
- 5) The Village of Hall Summit had total expenses of \$35,877 for the year ended December 31, 2005 which represents an increase of \$2,517 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$0 for the year ended December 31, 2005 which represents a decrease of \$50,355 from prior year.

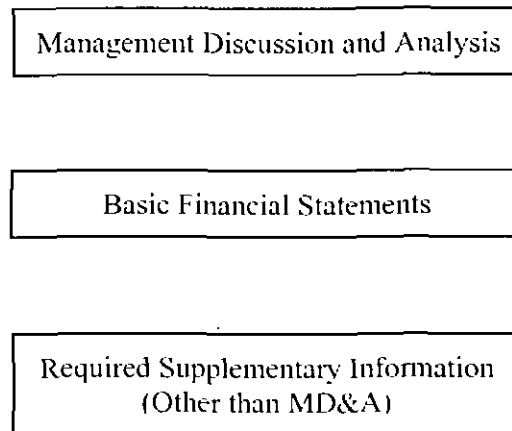
Business-Type Activities

- 1) The Village of Hall Summit had cash and investments of \$101,925 for the year ended December 31, 2005 which represents an increase of \$9,355 from prior year.
- 2) The Village of Hall Summit had accounts receivable of \$8,394 for the year ended December 31, 2005 which represents an increase of \$2,412 from prior year.
- 3) The Village of Hall Summit had accounts payable and accruals of \$7,403 for the year ended December 31, 2005 which represents an increase of \$3,668 from prior year.
- 4) The Village of Hall Summit had total revenues of \$101,506 for the year ended December 31, 2005 which represents an increase of \$23,853 from prior year.
- 5) The Village of Hall Summit had total expenses of \$121,684 for the year ended December 31, 2005 which represents an increase of \$25,107 from prior year.
- 6) The Village of Hall Summit had capital asset purchases of \$19,516 for the year ended December 31, 2005 which represents an increase of \$4,849 from prior year.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2005

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Village of Hall Summit as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Village of Hall Summit as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Village's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2005

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Village's Net assets and changes in them. You can think of the Village's net assets, the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Assets and the Statement of Activities, we divide the Village into three kinds of activities:

Governmental Activities: Most of the Village's basic services are reported here including the police and general administration. Franchise taxes, sales taxes, license and permits, and state and federal grants finance most of these activities.

Business-Type Activities: The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer system are reported here.

Component Units: The Village includes one separate legal entity in its report, Development Corporation. Although legally separate, the component unit is important because the Village is financially accountable for it.

Reporting the Village's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Aldermen establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Village's two kind of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds: Most of the Village's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's activities as well as what remains for future spending.

Proprietary Funds: When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. In fact, the Village's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2005

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	Primary Government				Component Units	
	Governmental Activities		Business-Type Activities			
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 60,111	\$ 54,952	\$ 152,862	\$ 146,609	\$ 11,397	\$ 11,187
Capital assets, net	127,956	140,641	1,016,795	1,036,859	10,666	10,666
Total Assets	\$ 188,067	\$ 195,593	\$ 1,169,657	\$ 1,183,468	\$ 22,063	\$ 21,853
Other liabilities	\$ 6,156	\$ 11,879	\$ 17,762	\$ 11,395	\$ 0	\$ 0
Compensated absences payable	0	0	0	0	0	0
Total Liabilities	6,156	11,879	17,762	11,395	0	0
Net assets						
Investment in capital assets, net of related debt	127,956	140,641	1,016,795	1,036,859	10,666	10,666
Unrestricted	53,955	43,073	135,100	135,214	11,397	11,187
Total Net Assets	181,911	183,714	1,151,895	1,172,073	22,063	21,853
Total Liabilities and Net Assets	\$ 188,067	\$ 195,593	\$ 1,169,657	\$ 1,183,468	\$ 22,063	\$ 21,853

Net assets of the Village of Hall Summit decreased by \$1,803 or 0.98%, decreased by \$20,178 or 1.72%, and increased by \$210 or 0.96% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2005 (See table below).

Statement of Activities
For the Year Ended

	Primary Government				Component Units	
	Governmental Activities		Business-Type Activities			
	2005	2004	2005	2004	2005	2004
General government Expenses	\$ (35,877)	\$ (33,360)	\$ (121,684)	\$ (96,577)	\$ 0	\$ 0
Program revenues						
Charges for services	14,149	16,258	87,040	67,382	0	0
Capital grants and contributions	0	40,837	12,900	7,350	0	0
Subtotal	(21,728)	23,735	(21,744)	(21,845)	0	0
General revenues	19,925	10,697	1,566	2,921	210	186
Change in net assets	\$ (1,803)	\$ 34,432	\$ (20,178)	\$ (18,924)	\$ 210	\$ 186

The Village of Hall Summit's total revenues decreased by \$33,718 or 49.74%, increased by \$23,853 or 30.72%, and increased by \$24 or 12.90% from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively. The total cost of all programs and services increased by \$2,517 or 7.54%, increased \$25,107 or 26.00%, and no change from the previous fiscal year in Governmental Activities, Business-Type Activities, and Component Units respectively.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2005

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2005, the Village of Hall Summit's had \$127,956, \$1,016,795, and \$10,666 net of depreciation, in Governmental Activities, Business-Type Activities, and Component Units, respectively. invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$12,685 or 9.02%, decrease of \$20,064 or 1.94% and no change in Governmental Activities, Business-Type Activities, and Component Units, respectively, from the previous year.

Capital Assets at Year End (Net of Depreciation)						
Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2005	2004	2005	2004	2005	2004
Land	\$ 21,334	\$ 21,334	\$ 30,776	\$ 30,776	\$ 10,666	\$ 10,666
Construction in progress	0	50,355	0	0	0	0
Buildings and other improvements	97,995	58,050	0	0	0	0
Automobiles	1,143	1,540	0	0	0	0
Equipment, furniture and fixtures	7,484	9,362	3,932	2,538	0	0
Distribution system	0	0	982,087	1,003,545	0	0
Total	<u>\$ 127,956</u>	<u>\$ 140,641</u>	<u>\$ 1,016,795</u>	<u>\$ 1,036,859</u>	<u>\$ 10,666</u>	<u>\$ 10,666</u>

The following is the addition and retirements for the Village of Hall Summit as of December 31, 2005:

	Primary Government		
	Governmental Activities	Business-Type Activities	Component Units
This year's major additions included:			
Equipment, furniture and fixtures	\$ 0	\$ 2,394	\$ 0
Distribution system	0	17,122	0
Total	<u>\$ 0</u>	<u>\$ 19,516</u>	<u>\$ 0</u>
This year's major retirements included:			
Equipment, furniture and fixtures	\$ 2,195	\$ 0	\$ 0
Total	<u>\$ 2,195</u>	<u>\$ 0</u>	<u>\$ 0</u>

Debt

The Village of Hall Summit had \$0, \$0 and \$0 in compensated absences payable for Governmental Activities, Business-Type Activities, and Component Units, respectively, outstanding at year end compared to \$0, \$0 and \$0 in Governmental Activities, Business-Type Activities, and Component Units, respectively, at the previous year end, no change as shown in the table below.

Outstanding Debt at Year End						
Primary Government						
	Governmental Activities		Business-Type Activities		Component Units	
	2005	2004	2005	2004	2005	2004
Compensated absences payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

VILLAGE OF HALL SUMMIT, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2005

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$2,386 less than budgeted amounts due to sales taxes and fines and forfeitures being less than expected.

Actual expenditures were \$2,376 more than budgeted amounts due to operating services for the general government and public safety being more than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village of Hall Summit's elected officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- 1) Taxes
- 2) State revenue sharing
- 3) Intergovernmental revenues (federal and state grants)
- 4) License and permits
- 5) Fines and forfeitures

The Village of Hall Summit does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE VILLAGE OF HALL SUMMIT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village of Hall Summit's finances and to show the Village of Hall Summit's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Paul Snead, Clerk of the Village of Hall Summit, Post Office Box 98, Louisiana 71034.

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		
ASSETS				
Current Assets				
Cash	\$ 29,699	\$ 41,816	\$ 71,515	\$ 3,964
Investments	27,869	60,109	87,978	7,433
Accounts receivable	2,543	8,394	10,937	0
Inventory	0	7,893	7,893	0
Total Current Assets	60,111	118,212	178,323	11,397
Noncurrent Assets				
Capital assets, net	127,956	1,016,795	1,144,751	10,666
Unamortized grant costs	0	34,650	34,650	0
Total Assets	<u>\$ 188,067</u>	<u>\$ 1,169,657</u>	<u>\$ 1,357,724</u>	<u>\$ 22,063</u>
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current Liabilities				
Accounts payable and accruals	\$ 1,280	\$ 7,403	\$ 8,683	\$ 0
Internal balances	4,876	(4,876)	0	0
Total Current Liabilities	6,156	2,527	8,683	0
Noncurrent Liabilities				
Compensated absences payable	0	0	0	0
Customer deposits	0	15,235	15,235	0
Total Liabilities	6,156	17,762	23,918	0
NET ASSETS				
Investment in capital assets, net of related debt	127,956	1,016,795	1,144,751	10,666
Unrestricted	53,955	135,100	189,055	11,397
Total Net Assets	<u>181,911</u>	<u>1,151,895</u>	<u>1,333,806</u>	<u>22,063</u>
Total Liabilities and Net Assets	<u>\$ 188,067</u>	<u>\$ 1,169,657</u>	<u>\$ 1,357,724</u>	<u>\$ 22,063</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government								
Governmental Activities								
General government	\$ 24,890	\$ 9,276	\$ 0	\$ 0	\$ (15,614)	\$ 0	\$ (15,614)	\$ 0
Public safety	10,987	4,873	0	0	(6,114)	0	(6,114)	0
Total Governmental Activities	35,877	14,149	0	0	(21,728)	0	(21,728)	0
Business-Type Activities								
Water and sewer	121,684	87,040	0	12,900	0	(21,744)	(21,744)	0
Total Business-Type Activities	121,684	87,040	0	12,900	0	(21,744)	(21,744)	0
Total Primary Government	\$ 157,561	\$ 101,189	\$ 0	\$ 12,900	(21,728)	(21,744)	(43,472)	0
Component Unit								
Development Corporation	\$ 0	\$ 0	\$ 0	\$ 0	0	0	0	0
Total Component Unit	\$ 0	\$ 0	\$ 0	\$ 0	0	0	0	0
General Revenues								
Taxes								
Franchise					4,737	0	4,737	0
Sales					3,973	0	3,973	0
State revenue sharing					288	0	288	0
Interest income					897	1,556	2,433	210
Miscellaneous					1,971	30	2,001	8,059
Transfers					8,059	0	8,059	(18,059)
Total General Revenues					19,925	1,586	21,491	210
Change in Net Assets					(1,803)	(20,178)	(21,981)	210
Net Assets, Beginning of year					183,714	1,172,073	1,355,787	21,853
Net Assets, End of year					\$ 181,911	\$ 1,151,895	\$ 1,333,806	\$ 22,063

The accompanying notes are an integral part of this statement

EXHIBIT C

VILLAGE OF HALL SUMMIT, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets		
Cash	\$ 29,699	\$ 24,341
Investments	27,869	27,248
Accounts receivable	<u>2,543</u>	<u>3,363</u>
Total Assets	<u>\$ 60,111</u>	<u>\$ 54,952</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 1,280	\$ 5,414
Internal balances	<u>4,876</u>	<u>6,465</u>
Total Liabilities	6,156	11,879
Fund Balances		
Unreserved	<u>53,955</u>	<u>43,073</u>
Total Net Assets	<u>53,955</u>	<u>43,073</u>
Total Liabilities and Fund Balances	<u>\$ 60,111</u>	<u>\$ 54,952</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

VILLAGE OF HALL SUMMIT, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005

Total Fund Balances for Governmental Funds (Exhibit C) \$ 53,955

Total Net Assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 21,334	
Buildings and other improvements, net of \$66,846 in accumulated depreciation.	97,995	
Automobiles, net of \$22,660 in accumulated depreciation.	1,143	
Equipment, furniture, and fixtures net of \$8,350 in accumulated depreciation.	<u>\$ 7,484</u>	
Total Capital Assets		127,956

Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the fund liabilities.

0

Total Net Assets of Governmental Activities (Exhibit A) \$ 181,911

EXHIBIT E

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Revenues		
Taxes		
Franchise	\$ 4,737	\$ 4,481
Sales	3,973	5,042
State revenue sharing	288	316
Intergovernmental revenues	0	40,837
License and permits	9,276	9,433
Fines and forfeitures	4,873	6,825
Interest	897	765
Miscellaneous	1,971	93
Total Revenues	<u>26,015</u>	<u>67,792</u>
Expenditures		
General government		
Personal services	3,230	3,230
Operating services	7,204	6,647
Supplies	460	1,669
Professional services	1,708	1,937
Public safety		
Personal services	3,875	3,875
Operating services	4,044	2,085
Supplies	2,671	2,079
Capital outlay	0	50,355
Total Expenditures	<u>23,192</u>	<u>71,877</u>
Excess/(Deficiency) Of Revenues Over Expenditures	2,823	(4,085)
Other Financing Sources/(Uses)		
Transfers	8,059	0
Total Other Financing Sources/(Uses)	<u>8,059</u>	<u>0</u>
Net Change in Fund Balances	10,882	(4,085)
Fund Balances, Beginning of year	<u>43,073</u>	<u>47,158</u>
Fund Balances, End of year	<u>\$ 53,955</u>	<u>\$ 43,073</u>

The accompanying notes are an integral part of this statement.

EXHIBIT F

VILLAGE OF HALL SUMMIT, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 10,882

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$12,685) exceeds capital outlays (\$0) in the current period. (12,685)

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 0

Change in Net Assets of Governmental Activities (Exhibit B) \$ (1,803)

EXHIBIT G

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash	\$ 41,816	\$ 33,810
Investments	60,109	58,760
Accounts receivable	8,394	5,982
Inventory	<u>7,893</u>	<u>8,457</u>
Total Current Assets	118,212	107,009
Noncurrent Assets		
Capital assets, net	1,016,795	1,036,859
Unamortized grant costs	<u>34,650</u>	<u>39,600</u>
Total Assets	<u>\$ 1,169,657</u>	<u>\$ 1,183,468</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ 7,403	\$ 3,735
Internal balances	<u>(4,876)</u>	<u>(6,465)</u>
Total Current Liabilities	2,527	(2,730)
Noncurrent Liabilities		
Compensated absences payable	0	0
Customer deposits	<u>15,235</u>	<u>14,125</u>
Total Liabilities	17,762	11,395
Net Assets		
Investments in capital assets, net of related debt	1,016,795	1,036,859
Unrestricted	<u>135,100</u>	<u>135,214</u>
Total Net Assets	<u>1,151,895</u>	<u>1,172,073</u>
Total Liabilities and Net Assets	<u>\$ 1,169,657</u>	<u>\$ 1,183,468</u>

The accompanying notes are an integral part of this statement.

EXHIBIT H

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
OPERATING REVENUES		
Charges for services	\$ 85,135	\$ 65,518
Connect fees	555	510
Late fees	1,350	1,354
Miscellaneous	30	1,461
Total Operating Revenues	<u>87,070</u>	<u>68,843</u>
OPERATING EXPENSES		
Amortization	4,950	4,950
Bad debt expense	352	0
Depreciation	39,580	38,433
Dues and subscriptions	355	525
Garbage expense	16,063	0
Insurance	5,030	4,381
Licenses and permits	755	2,183
Maintenance and repairs	5,953	1,755
Miscellaneous	686	443
Office supplies and expense	2,798	2,447
Oil and gas	1,764	937
Operating supplies and tools	7,935	5,677
Payroll taxes	1,420	1,377
Professional services	1,949	1,838
Rental	504	1,432
Salaries	18,085	17,726
Telephone	1,822	1,681
Utilities	11,683	10,792
Total Operating Expenses	<u>121,684</u>	<u>96,577</u>
Operating Income/(Loss)	(34,614)	(27,734)
Nonoperating Revenues/(Expenses)		
Interest income	1,536	1,460
Grants	12,900	7,350
Total Nonoperating Revenues/(Expenses)	<u>14,436</u>	<u>8,810</u>
Change in Net Assets	(20,178)	(18,924)
Net Assets, Beginning of year	<u>1,172,073</u>	<u>1,190,997</u>
Net Assets, End of year	<u>\$ 1,151,895</u>	<u>\$ 1,172,073</u>

The accompanying notes are an integral part of this statement

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 87,005	\$ 68,744
Cash payments to suppliers for goods and services	(53,056)	(41,829)
Cash payments to employees and board members for services	(19,514)	(18,904)
Net Cash From Operating Activities	14,435	8,011
Cash Flows From Capital and Related Financing Activities		
Capital grant proceeds	12,900	15,000
Acquisition/construction of capital assets	(19,516)	(14,667)
Net Cash From Capital and Related Financing Activities	(6,616)	333
Cash Flows From Investing Activities		
Purchase of investments	(1,349)	(1,308)
Interest income	1,536	1,460
Cash Flows From Investing Activities	187	152
Net Increase/(Decrease) in Cash and Cash Equivalents	8,006	8,496
Cash, Beginning of year	33,810	25,314
Cash, End of year	<u>\$ 41,816</u>	<u>\$ 33,810</u>
Reconciliation of Operating Loss to Net Cash From Operating Activities		
Operating income/(loss)	\$ (34,614)	\$ (27,734)
Adjustments to reconcile operating loss to net cash from operating activities		
Amortization expense	4,950	4,950
Depreciation expense	39,580	38,433
Bad debt expense	352	0
(Increase)/decrease in operating assets		
Accounts receivable	(2,764)	(99)
Inventory	564	298
Internal balances	1,589	(3,530)
Increase/(decrease) in operating liabilities		
Accounts payable and accruals	3,668	(5,132)
Customer deposits	1,110	825
Net Cash Flows From Operating Activities	<u>\$ 14,435</u>	<u>\$ 8,011</u>

The accompanying notes are an integral part of this statement.

EXHIBIT J

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF NET ASSETS
COMPONENT UNITS
DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Assets		
Current Assets		
Cash	\$ 3,964	\$ 3,925
Investments	<u>7,433</u>	<u>7,262</u>
Total Current Assets	11,397	11,187
Noncurrent Assets		
Capital assets, net	<u>10,666</u>	<u>10,666</u>
Total Assets	<u>\$ 22,063</u>	<u>\$ 21,853</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable and accruals	\$ <u>0</u>	\$ <u>0</u>
Total Liabilities	0	0
Net Assets		
Investments in capital assets, net of related debt	10,666	10,666
Unrestricted	<u>11,397</u>	<u>11,187</u>
Total Net Assets	<u>22,063</u>	<u>21,853</u>
Total Liabilities and Net Assets	<u>\$ 22,063</u>	<u>\$ 21,853</u>

The accompanying notes are an integral part of this statement.

EXHIBIT K

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
OPERATING REVENUES		
Miscellaneous	\$ 0	\$ 0
Total Operating Revenues	0	0
OPERATING EXPENSES		
Miscellaneous	0	0
Total Operating Expenses	0	0
Operating Income/(Loss)	0	0
Nonoperating Revenues/(Expenses)		
Other income	8,059	0
Interest income	210	186
Transfers	(8,059)	0
Total Nonoperating Revenues/(Expenses)	210	186
Change in Net Assets	210	186
Net Assets, Beginning of year	21,853	21,667
Net Assets, End of year	<u>\$ 22,063</u>	<u>\$ 21,853</u>

The accompanying notes are an integral part of this statement.

EXHIBIT L

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF CASH FLOWS
COMPONENT UNITS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash Flows From Operating Activities		
Cash payments to suppliers for goods and services	\$ <u>0</u>	\$ <u>0</u>
Net Cash From Operating Activities	<u>0</u>	<u>0</u>
Cash Flows From Investing Activities		
Purchase of investments	(171)	(166)
Interest income	<u>210</u>	<u>186</u>
Cash Flows From Investing Activities	<u>39</u>	<u>20</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	39	20
Cash and Cash Equivalents, Beginning of year	<u>3,925</u>	<u>3,905</u>
Cash and Cash Equivalents, End of year	<u>\$ 3,964</u>	<u>\$ 3,925</u>
Reconciliation Of Operating Income To Net Cash From Operating Activities		
Operating income	\$ <u>0</u>	\$ <u>0</u>
Net Cash Flows From Operating Activities	<u>\$ 0</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005

The Village of Hall Summit, Louisiana was incorporated on September 11, 1961, under the provisions of the Lawrason Act. The Village operates under a Mayor -Board of Aldermen form of government. The Village's major operations include general administrative services, public safety and utilities.

The Development Corporation of Hall Summit, a component unit of the Village of Hall Summit, is discretely presented in the financial statements in conformity with accounting principles generally accepted in the United States of America.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Village of Hall Summit, Louisiana present information only as to the transactions of the programs of the Village of Hall Summit as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Village of Hall Summit are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Village of Hall Summit prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Village amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Village of Hall Summit, Louisiana defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2005, \$0 and \$352 of Governmental and Business-Type Activities receivables, respectively, were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Village of Hall Summit are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and other improvements, 10 to 50 years for the distribution system and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

The Village of Hall Summit, Louisiana does not have any full time employees; Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Village of Hall Summit may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2005 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 74,779	\$ 95,411	\$ 170,190
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 74,920</u>	<u>\$ 95,411</u>	<u>\$ 170,331</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
American Bank & Trust Co	\$ 43,647
Bank of Coushatta	95,411
Sabine State Bank	31,273
Total	<u>\$ 170,331</u>

B. Investments

At December 31, 2005, the Village of Hall Summit had investments of \$0.

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2005:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Taxes			
Franchise	\$ 1,752	\$ 0	\$ 1,752
Sales	330	0	330
State revenue sharing	96	0	96
Fines and forfeitures	365	0	365
Charges for services	<u> 0</u>	<u> 8,394</u>	<u> 8,394</u>
Total	<u>\$ 2,543</u>	<u>\$ 8,394</u>	<u>\$ 10,937</u>

NOTE 4 CAPITAL ASSETS

A summary of the Village of Hall Summit's capital assets at December 31, 2005 follows:

	<u>Balance December 31, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance December 31, 2005</u>
Primary Government				
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 21,334	\$ 0	\$ 0	\$ 21,334
Construction in progress	<u> 50,355</u>	<u> 0</u>	<u> (50,355)</u>	<u> 0</u>
Total Capital Assets, not being depreciated	71,689	0	(50,355)	21,334
Capital Assets, being depreciated				
Buildings and other improvements	114,486	50,355	0	164,841
Less accumulated depreciation	<u> (56,436)</u>	<u> (10,410)</u>	<u> 0</u>	<u> (66,846)</u>
Total Buildings and building improvements	58,050	39,945	0	97,995
Automobiles	23,803	0	0	23,803
Less accumulated depreciation	<u> (22,263)</u>	<u> (397)</u>	<u> 0</u>	<u> (22,660)</u>
Total Automobiles	1,540	(397)	0	1,143
Equipment, furniture and fixtures	18,029	0	(2,195)	15,834
Less accumulated depreciation	<u> (8,667)</u>	<u> (1,878)</u>	<u> 2,195</u>	<u> (8,350)</u>
Total Equipment, furniture and fixtures	<u> 9,362</u>	<u> (1,878)</u>	<u> 0</u>	<u> 7,484</u>
Total Capital Assets, being depreciated	<u> 68,952</u>	<u> 37,670</u>	<u> 0</u>	<u> 106,622</u>
Governmental Activities				
Total Capital Assets, net	<u>\$ 140,641</u>	<u>\$ 37,670</u>	<u>\$ (50,355)</u>	<u>\$ 127,956</u>

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Balance December 31, 2004	Additions	Retirements	Balance December 31, 2005
Business-Type Activities				
Capital Assets, not being depreciated				
Land	\$ 30,776	\$ 0	\$ 0	\$ 30,776
Total Capital Assets, not being depreciated	30,776	0	0	30,776
Capital Assets, being depreciated				
Distribution system	1,583,635	17,122	0	1,600,757
Less accumulated depreciation	(580,090)	(38,580)	0	(618,670)
Total Distribution system	1,003,545	(21,458)	0	982,087
Equipment, furniture and fixtures	14,847	2,394	0	17,241
Less accumulated depreciation	(12,309)	(1,000)	0	(13,309)
Total Equipment, furniture and fixtures	2,538	1,394	0	3,932
Total Capital Assets, being depreciated	1,006,083	(20,064)	0	986,019
Business-Type Activities				
Total Capital Assets, net	\$ 1,036,859	\$ (20,064)	\$ 0	\$ 1,016,795
Primary Government				
Total Capital Assets, net	\$ 1,177,500	\$ 17,606	\$ (50,355)	\$ 1,144,751
Component Units				
Capital Assets, not being depreciated				
Land	\$ 10,666	\$ 0	\$ 0	\$ 10,666
Total Capital Assets, not being depreciated	\$ 10,666	\$ 0	\$ 0	\$ 10,666
Component Units				
Total Capital Assets, net	\$ 10,666	\$ 0	\$ 0	\$ 10,666

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2005:

	Governmental Activities	Business-Type Activities	Total
Vendor	\$ 1,280	\$ 5,943	\$ 7,223
Salaries and related benefits	0	1,460	1,460
Other	0	0	0
Total	\$ 1,280	\$ 7,403	\$ 8,683

VILLAGE OF HALL SUMMIT, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2005

NOTE 6 INTERNAL BALANCES

A summary of internal balances at December 31, 2005, is as follows:

	<u>Due To</u>	<u>Due From</u>
Governmental Activities	\$ 4,876	\$ 0
Business-Type Activities	0	4,876
Totals	<u>\$ 4,876</u>	<u>\$ 4,876</u>

NOTE 7 LEASES

The Village of Hall Summit was not obligated under any capital or operating lease commitments at December 31, 2005.

NOTE 8 SALES AND USE TAX

The Village of Hall Summit has a one percent sales tax. Sales tax revenues for the year ended December 31, 2005 were \$3,973. The proceeds are dedicated to any lawful purpose of the Village.

NOTE 9 RISK MANAGEMENT

The Village of Hall Summit is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

NOTE 10 LITIGATION

There was no outstanding litigation against the Village of Hall Summit at December 31, 2005.

NOTE 11 CLAIMS AND JUDGMENTS

The Village of Hall Summit participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Village may be required to reimburse the grantor government. The Village believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Village.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

VILLAGE OF HALL SUMMIT, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	Original/Final Budget	Actual	Variance Fav./Unfav.)
REVENUES			
Taxes			
Franchise	\$ 5,100	\$ 4,737	\$ (363)
Sales	5,880	3,973	(1,907)
State revenue sharing	200	288	88
License and permits	9,000	9,276	276
Fines and forfeitures	6,221	4,873	(1,348)
Interest	500	897	397
Miscellaneous	1,500	1,971	471
Total Revenues	28,401	26,015	(2,386)
EXPENDITURES			
General government			
Personal services	3,230	3,230	0
Operating services	6,233	7,204	(971)
Supplies	520	460	60
Professional services	1,762	1,708	54
Public safety			
Personal services	3,874	3,875	(1)
Operating services	3,117	4,044	(927)
Supplies	2,080	2,671	(591)
Capital outlay	0	0	0
Total Expenditures	20,816	23,192	(2,376)
Excess/(Deficiency) Of Revenues Over Expenditures	7,585	2,823	(4,762)
Other Financing Sources/(Uses)			
Transfers	0	8,059	8,059
Total Other Financing Sources/(Uses)	0	8,059	8,059
Net Change in Fund Balances	7,585	10,882	3,297
Fund Balance, Beginning of year	43,073	43,073	0
Fund Balance, End of year	\$ 50,658	\$ 53,955	\$ 3,297

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO THE
MAYOR AND MEMBERS OF THE BOARD OF ALDERMEN
YEAR ENDED DECEMBER 31, 2005

	<u>Compensation</u>
Mayor Wimberly	\$ 1,200
Alderman Moore	600
Alderman Tidwell	600
Alderman Hagan	<u>600</u>
Total	<u>\$ 3,000</u>

Compensation Paid Board Members

The schedule of compensation paid to the Mayor and members of the Board of Aldermen of the Village of Hall Summit is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Mayor and Aldermen is included in the Governmental Activities expenses.

VILLAGE OF HALL SUMMIT, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|---|-------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weaknesses identified? | None |
| | b) Reportable conditions identified not considered to be material weaknesses? | None |
| | c) Noncompliance material to the financial statements noted? | None |

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported.

HINES, JACKSON & HINES, L.L.C.

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NATCHITOCHES, LA 71457

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1926-1999

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Village of Hall Summit
P.O. Box 98
Hall Summit, Louisiana 71034

We have audited the *financial statements* of the Village of Hall Summit, Louisiana, as of and for the year ended December 31, 2005, and have issued our report thereon dated February 16, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Hall Summit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Hall Summit's internal control over financial reporting in order to determine our *auditing procedures* for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the Village of Hall Summit, Louisiana and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Jackson & Hines

Natchitoches, Louisiana
February 16, 2006

SCHEDULE 4

VILLAGE OF HALL SUMMIT, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Fiscal Year		Corrective	Planned Corrective
	Finding		Action Taken	Action/Partial
	Initially		(Yes, No,	Corrective
<u>Ref. No.</u>	<u>Occurred</u>	<u>Description of Finding</u>	<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 5

VILLAGE OF HALL SUMMIT, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.